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PUBLIC RELATIONS JOURNAL

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FEATURES

14 Magazines, TV Top '90 Media Lists

Magazines, followed by network television, topped corporate buyers' 1990 media lists, according to *PRJ*'s 20th annual corporate advertising survey. A host of new players, ranging from giant retailers to health care providers, spurred ad spending and gained spots in the top 10 of corporate or association buyers. While media expenditures rose modestly over '89 figures, large gains were tracked for syndicated TV, spot radio and cable TV. *Paul H. Alvarez, Fellow, PRSA*

20 Hong Kong: Public Relations Capital of Asia?

Situated in the commercial center of Asia, Hong Kong stands as the capital of public relations for the region. Despite the uncertainties of life beyond 1997, when the People's Republic of China takes over, most practitioners in Hong Kong or affiliated with firms there forecast continuing growth for public relations in this bustling hub of the Orient. *Ray Josephs, APR*

26 Why Your Company Needs Marketing Public Relations

To succeed in the highly competitive '90s, marketers can no longer depend on mass advertising to win the consumer's dollar. Marketing public relations (MPR) uses the power of news, events, community programs and other communications to direct attention to a product, service or idea. Excerpted from the author's recent book. *Thomas L. Harris, Fellow, PRSA*

28 Firms Say Thank You With Business Gifts

'Tis the season when more than half of the organizations that give clients or employees thank-you gifts are shopping for the holidays. *PRJ* looks at gift-giving preferences and practices to help you make the right choice this year. *Kathleen O'Neill*



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- Recruiters enter "temp" business
- Pennsylvania tax defense is a success
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WORKSHOP

34 Getting your written message heard

Case studies spread story *G.A. Marken*

Op-ed articles express client's point of view
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Cover: *Lawrence Finney*

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Toward a broader marketing reach

Like sailors looking for a better tack, public relations practitioners today are being asked to adapt the tools of their trade to marketing. The winds of our time are stirring up demand for "integrated" marketing approaches that impact the bottom line. When the captains of organizations ask for bottom-line results, they usually mean sales—of products, services or ideas. Now there's continuing and strengthened awareness among top management and marketing executives that public relations can help accomplish these goals with the added benefit, in many cases, of making friends of non-customer publics, who nevertheless influence purchasing.



Among savvy sellers, marketing public relations (MPR) has never been too far from the marketing process. That's what Thomas L. Harris, Fellow, PRSA, explains in "The Marketer's Guide to Public Relations: How Today's Top Companies Are Using the New PR to Gain a Competitive Edge." Portions of his book are excerpted by permission of the publisher, John Wiley & Sons, Inc., in this issue (page 26).

As a company develops an integrated marketing communications program, public relations can be the tie that binds sales promotion, advertising and product publicity together as part of the strategic marketing plan, Harris contends. If public relations carries the corporate ship's message to its publics, then the various marketing tactics are simply sails to be adjusted according to prevailing conditions.

The need for more and varied marketing approaches is also shown by the findings of *PRJ*'s 1990 Corporate Advertising Survey (page 14). As the survey shows, advertising is becoming more targeted and more fragmented. Who's who among the top 10 corporate ad spenders has shifted to a host of new players, in part, because giant corporations like General Motors and Procter & Gamble have developed more integrated marketing approaches within the past year. Nevertheless, GM, at least, remains on top of the top 10 largest ad spenders for 1990. The winds of recession in '90 clearly buffeted some of the largest retailers, such as Sears, and several car dealers associations into an ad spending spree.

Regardless of an organization's size, it can benefit from the craft public relations professionals bring to the marketing mix. The synergistic blend of public relations and other marketing tactics can make for smoother sailing ahead.

Susan L. Fry, Editor

PRSA Public Relations Society of America

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The Public Relations Society of America (PRSA) is an individual membership professional society of 15,357 public relations practitioners. Its major services to members include programs of Professional Development and Accreditation, an Information Center, publications, tracking of issues of national concern, and promotion of ethical practice through adherence to PRSA's "Code of Professional Standards." PRSA's mission is "To serve the public need for understanding and cooperation among its diverse interests by fostering high professional and ethical standards for all those practicing public relations."

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Corporate Advertising Survey: Magazines, TV Top '90 Media Lists

Paul H. Alvarez, Fellow, PRSA

In 1990, the big story was not how much money was spent on corporate advertising. The real news was discovering who dug deepest into their pockets and why they did so. A host of new players ranging from giant retailers to health-care providers invested hundreds of millions of dollars on ads to tell their stories and polish their images. In the process, they joined the ranks of top 10 corporate advertising spenders, according to *PRJ's* 20th annual corporate advertising survey.

As for the top media picks, corporate advertisers spent most on magazines, closely followed by network TV. (See chart, right). Overall, \$1.47 billion was spent last year on corporate advertising, a modest increase of about 4%, compared to the 11.5% growth experienced in 1989, according to figures compiled by Leading National Advertisers/Arbitron Multi-Media Services. Associations spent \$1.33 billion on corporate advertising in 1990, virtually identical to the \$1.34 billion spent in 1989.

To a large degree, 1990 expenditures are a reflection of the trends of the times. Retailers reeling from mounting financial troubles and highly publicized takeovers, for example, turned to corporate advertising to get their key messages out. And hot issues like skyrocketing health-care costs, energy conservation and environmentalism prompted many executives to spend more money on ads to influence business leaders and decision makers.

The names of five major retail companies are now displayed prominently in the list of top 10 corporate ad spenders, accounting for more than \$163 million in expenditures. (See chart, page 18). In addition, four of the top 10 associations which advertised in *The Wall Street Journal* are in the health care or health insurance industry, and three other top 10 *Journal* association advertisers represent the energy industry. (See chart, page 17).

Advertisers target media that deliver niche audiences

The biggest spending increases by corporations were for syndicated TV (up 79.8%), national spot radio (up 60.6%), cable TV (up 23.6%) and network TV (up 17.8%). Over the past five years, corporate expenditures on syndicated TV have risen 560%, while cable TV is up 211%. Association spending has not increased so dramatically, but still shows a 233% increase for syndicated TV and a 166% increase for cable TV since 1986. This shift indicates that advertisers are funneling more dollars into media they feel can better target niche audiences, a trend that is expected to continue.

Advertisers prefer these media because they reach more select audiences. Cable TV benefits from channels which appeal to specific interests, such as the all-sports channel, ESPN, and the all-music channel, MTV. The success of syndicated TV can be attributed to the wide range of syndicated programs now being offered. In the past, syndicated programming consisted mainly of game shows. Today, more news and business-oriented shows, such as "The Wall Street Journal Report," are being syndicated. This type of program-

Corporate expenditures

	9-MEDIA TOTAL	Magazines
REPORT TOTAL		
1990	1,475,326	507,114
1989	1,419,487	467,797
Percent change	3.9%	8.4%
1988	1,255,221	388,630
Percent change	13.1%	20.4%
1987	1,175,103	360,833
Percent change	6.8%	7.7%
1986	790,918	342,168
Percent change 1986-1990	86.5%	48.2%

Association expenditures

	9-MEDIA TOTAL	Magazines
REPORT TOTAL		
1990	1,337,818	103,574
1989	1,343,433	98,007
Percent change	(.004%)	5.7%
1988	1,209,051	86,942
Percent change	11.1%	12.7%
1987	1,104,326	85,457
Percent change	9.5%	1.7%
1986	845,374	79,849
Percent change 1986-1990	58.3%	29.7%

ming provides advertisers with a targeted business audience.

For the second straight year, advertisers spent the most money on consumer magazines, pouring \$507 million into these publications. Overall, magazines and network radio continued their steady growth, both enjoying increases of more than 8%.

On the down side, corporate ad dollars spent on newspapers/Sun-

Corporate advertising expenditures 1986-1990 nine media

(in \$ thousands)

Newspapers Incl. Sunday Magazines	Outdoor	Network Television	Spot Television	Syndicated Television	Cable TV Networks	Network Radio	National Spot Radio
233,659	6,178	475,592	157,493	13,324	30,522	23,226	28,219
264,240	6,736	403,578	206,065	7,409	24,691	21,404	17,568
(11.6%)	(8.3%)	17.8%	(23.6%)	79.8%	23.6%	8.5%	60.6%
224,529	8,039	437,396	161,064	5,923	12,843	16,797	—
17.7%	(16.2%)	(7.7%)	27.9%	25.1%	92.3%	27.4%	—
225,663	8,201	371,847	163,803	6,973	10,772	27,017	—
(.005%)	(2.0%)	17.6%	(1.7%)	(15.1%)	19.2%	(37.8%)	—
11,805	8,024	252,657	140,037	2,018	9,794	24,416	—
1,879.4%	(23.0%)	88.2%	12.5%	560.3%	211.6%	(4.9%)	—

Newspapers Incl. Sunday Magazines	Outdoor	Network Television	Spot Television	Syndicated Television	Cable TV Networks	Network Radio	National Spot Radio
117,089	4,904	112,898	898,366	11,156	16,433	28,711	44,685
134,039	5,348	130,266	868,286	7,229	17,177	26,296	56,785
(12.6%)	(8.3%)	(13.3%)	3.5%	54.3%	(4.3%)	9.2%	(21.3%)
131,553	6,308	173,605	768,558	6,760	15,835	19,490	—
1.9%	(15.2%)	(25.0%)	13.0%	6.9%	8.5%	34.9%	—
100,654	7,347	156,625	722,559	5,606	9,686	16,392	—
30.7%	(14.1%)	10.8%	6.4%	20.6%	63.5%	18.9%	—
5,865	8,119	148,509	572,920	3,346	6,161	20,606	—
1,896.5%	(39.6%)	(24.0%)	56.8%	233.5%	166.7%	39.3%	—

Source: LNA/Arbitron Multi-Media Services as compiled by Leading National Advertisers, Inc. Cable TV media data was added to the database in 1985, syndicated TV in 1986 and newspapers in 1987. Newspapers were tracked separately until 1990. That data was then combined with Sunday magazines to make room for another category on the computer printout. This new category—national spot radio—was added to the database in 1989.

Numbers in the database are updated on a daily basis. The numbers appearing on these charts are rounded to the nearest whole digit.

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day supplements fell off 11.6% and spending on spot TV plummeted 23.6%. Despite the declines, these two mediums, along with network TV, are still the dominant forms of corporate advertising.

As in the past, association ad spending continues to be dominated by car dealers, with eight of the top 10 advertisers falling into this category. Car dealers continue to favor spot TV, spending more than

\$709 million on this medium. Spot TV is effective because it targets regional audiences at a reasonable price.

Retailers searching for the upper hand in an increasingly competitive marketplace made corporate advertising their trump card in 1990. Sears Roebuck & Co., May Department Stores Co.,

Continued

Wall Street Journal advertising

January to December 1990
(Ranked by total media dollars in \$ thousands)

Top 10 spenders: corporations

	1990 Linage	1990 Dollars
1. Cigna Corp.	77,140	4,354,162
2. Federal Home Loan Mortgage Corp.	42,645	2,683,395
3. Xerox Corp.	44,067	2,670,141
4. General Motors Corp.	41,885	2,651,728
5. Daewoo Corp.	42,369	2,490,567
6. JP Morgan & Co. Inc.	39,063	2,213,736
7. Chase Manhattan Corp.	34,703	2,150,692
8. Wang Laboratories Inc.	30,209	2,027,454
9. Travelers Corp.	34,823	1,988,629
10. Federal National Mortgage Assn.	33,724	1,936,610
TOP 10 TOTAL	420,628	25,167,114
TOTAL: ALL OTHERS	1,744,651	103,121,119
REPORT TOTAL	2,165,279	128,288,233

Top 10 spenders: associations

	1990 Linage	1990 Dollars
1. American Gas Assn. Inc.	16,000	949,084
2. Lexus Dealers Assn.	11,691	776,332
3. Blue Cross & Blue Shield Assn.	6,037	342,017
4. Teachers Insurance & Annuity Assn. of America	5,858	332,043
5. U.S. Council for Energy Awareness	4,228	283,266
6. Blue Cross of California	3,294	279,556
7. Delta Dental Plans Assn.	4,800	268,608
8. Chemical Manufacturers Assn.	3,553	238,524
9. American Medical Assn.	3,037	183,997
10. American Petroleum Institute	2,664	176,131
TOP 10 TOTAL	61,162	3,829,558
TOTAL: ALL OTHERS	21,888	1,552,715
REPORT TOTAL	83,050	5,382,273

Source: Leading National Advertisers. Data ranked on 1990 dollars. © Copyright 1991 by Publishers Information Bureau, Inc. as compiled by Leading National Advertisers.

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Campeau Corp., RH Macy & Co., Inc., and Dayton-Hudson Corp. all made the top 10 corporate ad spenders list.

Sears Roebuck, the third-highest corporate ad spender, spent \$50 million to further develop its "brand central" image and to fight off challengers in the market. Campeau, the seventh-highest spender, and ninth-ranked RH Macy fended off negative publicity surrounding buyouts and rumored takeovers by pouring \$31 million and \$24.8 million, respectively, into corporate advertising.

In an effort to target specific store areas and specific types of customers, retailers took a regional approach to their ad purchases. Campeau, RH Macy, Dayton-Hudson and May all spent most of their ad dollars on newspapers and Sunday magazine supplements.

The prominence of retailers in corporate advertising contrasts sharply with the top ad spenders of only five years ago. Since 1986, only three companies—GM, AT&T and Ford—have remained in the top 10. Five years ago, computer companies, including IBM, Hewlett-Packard and Unisys, dominated the top 10 list.

The main reason for the decline is that large high-tech companies have already established their corporate identities. As a result, they are targeting their markets better and advertising more in trade journals and other publications that appeal to their key audiences.

GM is number one corporate ad spender

The top-spending corporate advertiser in 1990 was General Motors. The auto giant spent almost \$155 million, two-thirds of it on network TV, catapulting it to the number-one spot from its ninth-place '89 finish when it spent only \$33 million. GM's judicious spending on network, spot and syndicated TV is the main reason why all these mediums experienced growth in 1990. If not for GM's generosity, the year-end totals would be considerably lower.

GM also topped the top 10 list of association advertisers. The General Motors Corp. Dealers Association spent almost \$270 million on corporate advertising; \$245 million was spent on spot TV.

A new top 10 at *The Wall Street Journal*

As might be expected, banks and insurers dominated the top 10 list in *The Wall Street Journal*. Six of the top 10 are related to the banking or insurance industries, including the top two: Cigna Corp. and Federal Home Loan Mortgage Corp. These industries favor the *Journal* because the national business daily provides communication with a large, upscale audience. Of the top 10 *Journal* advertisers, only two remain from last year's list.

More interesting are the associations which advertised in the *Journal*. Six of the top 10 are new. In addition, the top 10 is now loaded with health-care related organizations, including Blue Cross & Blue Shield, Blue Cross of California, Delta Dental Plans Association, and the American Medical Association. These associations are increasing their efforts to communicate with business leaders regarding health cost issues.

Organizations concerned about energy and environmental issues also poured more money into the *Journal*. American Gas, the U.S. Council for Energy Awareness, and the American Petroleum Institute were all top 10 *Journal* spenders, as well.

While not growing as quickly as cable or syndicated TV, the networks have continued to register healthy gains last year and during the past five years. Corporate spending increased 17.8% in 1990 and has increased more than 88% since 1986.

Magazines continued to show steady growth with both corporate and association advertisers. The latest surge in retailer spending may have reduced magazines' growth, however, as many retailers prefer broadcast advertising to reach their key consumer markets.

Paul H. Alvarez, Fellow, PRSA, is vice chairman of Ketchum Communications Inc., the parent company of Ketchum Public Relations, Pittsburgh, PA.

Corporations

	9-MEDIA TOTAL
1. General Motors Corp.	154,509
2. American Telephone & Telegraph Co.	59,545
3. Sears Roebuck & Co.	50,504
4. Ford Motor Co.	46,025
5. Chrysler Corp.	41,201
6. May Department Stores Co.	32,621
7. Campeau Corp.	31,070
8. United Telecommunications Inc.	25,114
9. RH Macy & Co. Inc.	24,822
10. Dayton-Hudson Corp.	24,522
TOP 10 TOTAL	489,931
TOTAL: ALL OTHERS	982,707
REPORT TOTAL (all companies reporting)	1,475,326

Associations

	9-MEDIA TOTAL
1. General Motors Corp. Dealers Assn.	269,840
2. Ford Auto Dealers Assn.	168,972
3. Chrysler Corp. Dealers Assn.	91,675
4. Toyota Auto Dealers Assn.	89,426
5. Honda Dealers Assn.	54,948
6. Nat'l Dairy Promo. & Research Board	54,924
7. Toyo Kogyo Co. Auto Dealers Assn.	49,657
8. National Live Stock & Meat Board	32,388
9. Hyundai Dealers Assn.	28,008
10. Mitsubishi Auto Dealers Assn.	26,942
TOP 10 TOTAL	866,779
TOTAL: ALL OTHERS	455,859
REPORT TOTAL (all companies reporting)	1,337,818

Top 10 corporate ad spenders nine media

January to December 1990
(Ranked by total media dollars in \$ thousands)

Magazines	Newspapers Incl. Sunday Magazines	Outdoor	Network Television	Spot Television	Syndicated Television	Cable TV Networks	Network Radio	National Spot Radio
25,554	3,862	41	105,934	11,832	1,121	3,213	2,132	820
7,294	596	—	35,572	7,937	1,581	5,062	796	706
4,159	14,425	4	25,273	867	1,857	1,168	2,475	277
19,905	431	176	19,367	123	634	286	4,399	704
8,543	590	2	23,120	1,072	943	688	17	6,226
22	30,618	—	—	1,961	—	—	—	20
53	27,655	—	—	3,361	—	—	—	—
32	—	—	22,052	865	1,864	302	—	—
182	23,525	—	—	1,115	—	—	—	—
—	14,618	—	291	9,585	—	24	—	5
65,744	116,318	223	231,609	38,719	7,999	10,742	9,819	8,758
440,210	116,332	5,955	243,983	118,694	5,325	19,779	13,407	19,022
507,114	233,659	6,178	475,592	157,493	13,324	30,522	23,226	28,219

Magazines	Newspapers Incl. Sunday Magazines	Outdoor	Network Television	Spot Television	Syndicated Television	Cable TV Networks	Network Radio	National Spot Radio
—	20,169	119	1,027	245,573	—	22	—	2,931
—	18,399	877	3	146,546	—	—	—	3,148
27	2,626	59	89	80,811	—	—	—	8,063
—	3,821	245	—	84,581	—	—	—	778
—	2,987	8	—	50,682	—	—	—	1,271
14,045	—	—	25,856	4,455	4,067	6,502	—	—
—	1,922	—	—	47,736	—	—	—	—
10,194	439	5	12,623	2,024	—	1,177	5,718	208
—	1,328	—	—	26,680	—	—	—	—
—	668	—	—	26,235	—	—	—	39
24,266	52,359	1,311	39,598	715,322	4,066	7,701	5,718	16,437
79,308	59,455	3,455	73,301	174,929	7,090	8,050	22,992	27,280
103,574	117,089	4,904	112,898	898,368	11,156	16,433	28,711	44,685

Source: LNA/Arbitron Multi-Media Services as compiled by Leading National Advertisers, Inc. Cable TV media data was added to the database in 1985, syndicated TV in 1986 and newspapers in 1987. Newspapers were tracked separately until 1990. That data was then combined with Sunday magazines to make room for another category on the computer printout. This new category—national spot radio—was added to the database in 1989.

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